Rural Opportunity Zones FAQ

Q: What are Rural Opportunity Zones?
A: The law designates 50 counties in Kansas as Rural Opportunity Zones (ROZs), providing an income tax exemption for up to five years to individuals who relocate to those counties from out of state. Individuals must have lived outside the state for at least five years. The law authorizes ROZs counties to participate in a state-matching program to repay student loans of up to $3,000 per year ($15,000 maximum) for students who graduate from an accredited post-secondary institution and move to a ROZs county.

Q: What are the 50 counties designated as ROZs counties?
Barber, Chautauqua, Cheyenne, Clark, Cloud, Comanche, Decatur, Edwards, Elk, Gove, Graham, Greeley, Greenwood, Hamilton, Harper, Hodgeman, Jewell, Kearny, Kingman, Kiowa, Lane, Lincoln, Logan, Marion, Mitchell, Morton, Ness, Norton, Osborne, Pawnee, Phillips, Pratt, Rawlins, Republic, Rooks, Rush, Russell, Scott, Sheridan, Sherman, Smith, Stafford, Stanton, Trego, Thomas, Wallace, Washington, Wichita, Wilson and Woodson.

Q: When does the new law go into effect?
A: July 1, 2011

Q: How do we ensure these individuals meet their responsibility to stay?
A: The Department of Revenue will administer the tax credit portion of the ROZs program. The Department of Commerce will oversee the student loan repayment portion. Commerce could require program participants to sign annual affidavits regarding their ROZs county residency.

Q: Is there a penalty for leaving a ROZs county?
A: No, but individuals will forfeit their eligibility to receive benefits under the program if they leave a ROZs county.

Q: How do we ensure the Kansas income guidelines are met?
A: The new law requires a person moving from out of state may not have earned more than $10,000 in Kansas before moving into a ROZ county. There are no income guidelines for the student loan repayment portion of the program.

Q: Do individuals in this program enter into a contract with the county or state regarding terms of residence?
A: No, but the state and/or county may require annual affidavits regarding ROZs county residency.

Q: Can a county focus on only specific degrees or professions? Can a county pay bonuses?
A: Degrees or professions would not be limited to certain areas. Bonuses would be at the

county's discretion.

Q: Can two or more counties in a region partner to offer specific incentives for individuals?
A: No, not through the legislation. Those types of incentives would be up to the counties themselves.

Q: How will this program be marketed, and who will promote it to county officials?
A: The Department of Commerce will coordinate promoting the ROZs program, along with regional and local economic development organizations.

Q: Can graduates of a university or college in Kansas benefit from this program?
A: Yes, the student loan provisions means, "a federal student loan program supported by the federal government and a nonfederal loan issued by a lender such as a bank, savings and loan, or credit union to help students and parents pay school expenses for attendance at an institution of higher learning."

Q: Does the school loan repayment apply to loans taken out by parents as well as those taken out by individuals agreeing to move to the ROZ county?
A: Parents could be co-signers on the loan, but the students also have to be named on the loan to qualify for the repayment benefit.

Q: Can a county repay more than the $15,000 over five years if it wishes?
A: Yes, at the county's discretion.

Q: Can a county find other sources of funding, such as from a foundation?
A: Yes, other sources of funding are permitted.

Q: Can charitable contributions be utilized?
A: The county must opt-in and be participating in the program, but providing those funds is at the county's discretion.

Q: I have additional questions?
A. Contact Dan Lara, public information officer for the Kansas Department of Commerce, at (785) 296-3760 or dlara@kansascommere.com*For security reasons, you must enable JavaScript to view this E-mail address..*